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## **MARKETING MIX APPROACHES: WHERE IS “BRANDING”?**

Marketing mix has become one of the most favorite topics for analysis by marketing consultants. According to American Marketing Association, marketing mix is “the mix of controllable marketing variables that the firm uses to pursue the desired level of sales in the target market.” The term “marketing mix” was offered by Niel Borden in 1953 in his American Marketing Association presidential address – actually it was the reformulation of the 1948 idea of James Culliton about the role of the marketing manager as a “mixer of ingredients”. Because different authors represent different mix of the variables, there are lots of different models of marketing mix. The purpose of this paper is to introduce the 4P, two variants of 7P, 4C, and 5V marketing mix approaches and see if they pay attention to “branding” and what variables include “branding”.

The first and the most used model is 4P. This model, also called “classical marketing mix”, was proposed by E. Jerome McCarthy in 1960 and now is widely used – it is explained in most textbooks and learned in most marketing courses (“Marketing mix,” 2010). McCarthy's marketing mix includes four controllable elements: Product, Price, Promotion, Place (distribution). All the 4Ps cross and target market is in the center of this cross.

The article devoted to marketing mix “NetMBA” (2010) pointed out:

These four P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that center the four P's on the customers in the target market in order to create perceived value and generate a positive response.

Each variable of the 4P marketing mix influences and depends on different aspects of the company. For better understanding there are the definitions of the elements from Wikipedia article (2010):

Product is «a tangible object or an intangible service that is mass produced or manufactured on a large scale with a specific volume of units. Intangible products are service based like the tourism industry and the hotel industry or codes-based products like cellphone load and credits».

Price is «the amount a customer pays for the product. The business may increase or decrease the price of product if other stores have the same product».

Promotion «represents all of the communications that a marketer may use in the marketplace. Promotion has four distinct elements: advertising, public relations, personal selling and sales promotion. A certain amount of crossover occurs when promotion uses the four principal elements together».

Place «represents the location where a product can be purchased. It is often referred to as the distribution channel. It can include any physical store as well as virtual stores on the Internet».

The marketing variables under each P are presented in Table 1.

Table 1.

*Marketing variables*

| <b>Product:</b>     | <b>Promotion:</b>    | <b>Price:</b>           | <b>Place:</b>             |
|---------------------|----------------------|-------------------------|---------------------------|
| Product variety     | Promotional strategy | List price              | Distribution channels     |
| Design              | (push, pull, etc.)   | Allowance               | Market coverage           |
| Features            | Advertising          | Payable period          | (inclusive, selective, or |
| Returns             | Personal selling &   | Credit terms            | exclusive distribution)   |
| Sizes               | sales force          | Pricing strategy (skim, | Specific channel          |
| Brand name          | Sales promotions     | penetration, etc.)      | members                   |
| Functionality       | Public relations &   | Suggested retail price  | Inventory management      |
| Styling             | publicity            | Volume discounts and    | Warehousing               |
| Quality             | Marketing            | wholesale pricing       | Distribution centers      |
| Safety              | communications       | Cash and early          | Order processing          |
| Packaging           | budget               | payment discounts       | Transportation            |
| Repairs and Support | Direct marketing     | Seasonal pricing        | Reverse logistics         |
| Warranty            |                      | Bundling                | Assortments               |
| Accessories and     |                      | Price flexibility       |                           |
| services            |                      | Price discrimination    |                           |

*Note.* Adapted from Goi, C.L (2005). Marketing mix: A review of ?P?. and NetMBA (2010). Marketing Mix.

Picture 1 shows that Product includes “Brand name”. It means that the decisions about branding are made on the stage when the product itself is discussed. It also means that brand is understood as one of the product’s integral components.

While 4P marketing mix model is widely used because of its simplicity, it has limitations. This framework appeared when physical products represented the larger share of the economy, but today marketing is more integrated into companies, and companies have a wider variety of products and markets (NetMBA, 2010). According to ARTrm (2005) “there are two types of criticisms leveled at the marketing mix: criticism of the concept of the marketing mix, and criticism of particular examples of marketing mix models.” For example, Doyle (2000) says that marketing mix concept leads to unprofitable decisions as the concept is not based on financial objectives like increasing shareholder value. Opponents of 4Ps claim that 4Ps “are too strongly oriented towards consumer markets and is not an appropriate model for industrial product marketing. Others claim it has too strong of a product market perspective and is not appropriate for the marketing of services.” It stimulated some authors to extend its usefulness by proposing a fifth and more P (packaging, people, process, etc.) and alternative models, more oriented towards customers, services and e-commerce.

In 1981 Booms and Bitner worked on the marketing concept for service companies and offered to add another three Ps: people, process, and physical evidence. The authors state that for service companies, these criteria are essential. This marketing mix is known as Extended Marketing Mix.

People are those who are involved with consumption of a service (workers,

management, consumers etc), the market segmentation (mainly demographic segmentation) – It addresses particular class of people for whom the product or service is made available.

Process concerns the manner of handling sales, order processing and after-sale service - procedure, mechanism and flow of activities by which services are used, and how the product will reach the end user.

Physical Evidence is emphasized as “the marketing strategy should include effectively communicating their satisfaction to potential customers. Satisfied customers can be the best advertisement, with either tangible products or services”.

As this concept is based on 4Ps marketing mix, branding is still in “Product”.

Tracy (2004) offered three more Ps: packaging, positioning, and people. “People” element is treated as in the previous model – those who are responsible for every element of the company's sales and marketing strategy and activities. What is meant by packaging and positioning is described further.

Packaging is outlined because “people form their first impression about you within the first 30 seconds of seeing you or some element of your company” – so, the author says that small improvements in the packaging or external appearance of the product or service can often bear completely different reactions from the clients.

Positioning is about taking a special place in customers’ hearts and minds – “how you are seen and thought about by your customers is the critical determinant of your success in a competitive marketplace” say Rais and Trout (1981).

This model is included because it actually highlights branding in terms of positioning. According to Rais and Trout “positioning is the act of designing the company’s offering and image to occupy a distinctive place in the minds of the target market” (1981). The place that the company has in customers’ hearts and minds depends on how well the brand is managed and what brand strategy was chosen. It shows that the author emphasized the separate brand importance, not just integrated into “Product” element.

Representing the 4Cs model Lauterborn (1990) argues the 4Ps model as it was created for “a world which no longer exists” with cranked-up production system where the organizations dictated demands and people consumed almost everything. The author suggests forgetting 4Ps and welcoming 4Cs: consumer wants and needs, cost to satisfy, convenience to buy, and communication. This is a more consumer-oriented approach and attempts to better fit the movement from mass marketing to niche marketing (Marketing Mix, 2010).

Consumer wants and needs replace product as the companies “can't sell whatever they can make any more. They can only sell what someone specifically wants to buy”.

Cost to satisfy replaces price because “dollars are only one part of cost”, also there is the cost of time to drive to the place, the cost of conscience, cost to change or implement the new product or service, the customer's cost for not selecting a competitor's product or service, etc. Thus value is not “the biggest piece for the smallest price” – “it's a complex equation with as many different correct solutions as there are subsets of customers”.

Convenience to buy replaces place nowadays because catalogs, credit cards, the Internet, and phones are widely used to make purchases. The marketers should work out the distribution channels thinking about each subsegment and where it prefers to buy.

Communication replaces promotion as “good advertising creates dialogue”. Communication is broader than promotion and can include advertising, public relations, personal selling, viral advertising, and any form of communication between the firm and the consumer. According to the author, while promotion is manipulative, communication is cooperative. That contrast in authors’ opinion is the fundamental difference between the Four P’s and the Four C’s.

The author does not give details to what each element includes. It is estimated that branding is still in the first element, consumers needs, as one of the need is to be in a specific group and it can be satisfied using this or that brand.

The 5Vs concept is about a buyer's perspective of the marketing mix. Bennett (1997) presents a marketing paradigm with the emphasis placed not on the organization, but on the needs of the market. The author writes that buyers “look for, and derive satisfaction from, benefits which are organized through product and service features”, so the approach is based on the statement that buyers seek satisfaction not in product, price, place and promotion, but in other dimensions (while the author does not reject the 4Ps model; moreover, there is the example of how these models correlate). According to Bennett (1997) there are five criteria that can be used “to summarize the buyer disposition towards the adoption of a particular product or service”: value, viability, volume, variety and virtue. There are the descriptions of these criteria according to the author of the concept.

Value relates not purely value for money as “buyers buy on price, performance, reputation of the supplier and on results or outputs,... can seek technical capability, and the more symbolic attributes such as uniqueness, irreplaceability and the brand status of the acquisition”.

Viability covers “the search for a legitimate, or viable, source of supply can depend on the nearness of the individual to the source of supply itself.”

Volume – the amount of product and services the client is offered in reality. For example, when the graduating student needs the tuxedo for one night he can meet the situation that the minimum hire period is three days.

Variety concerns customers’ freedom of choice - the ability to exercise choice should not be overlooked by providers of products and services and marketers as “real choice is the customers right and, given freedom to make choice, is the essence of effective marketing.”

Virtue is seen by customers in products and services, and clients want “to develop a relationship with a provider when this virtue is a genuine reflection of the meaning of the exchange” - the customer should believe that the selection they have made is the optimum that could be achieved.

Table 2 represents 5Vs, and the elements contained within each of the five criteria.

Table 2  
The 5Vs Model

| Value                   | Viability          | Volume         | Variety                | Virtue                |
|-------------------------|--------------------|----------------|------------------------|-----------------------|
| Quality                 | Branding           | Quantity       | Seasonality            | Service               |
| Uniqueness              | Choice             | Replication    | Range                  | Support               |
| Technical specification | Repetition         | Divisibility   | Abnormality            | Staff proficiency     |
| Performance             | Reliability        | Consistency    | Order status           | Courtesy              |
| Price/fee               | Functionality      | Spares support | Literature support     | Product knowledge     |
| Intermediaries          | Client access      | Pack size      | Packaging              | Technical information |
| Single source           | Service            | Availability   | Replacement            | Operational support   |
| Supplier reputation     | Shelf life         | Buy in advance | Access to range        | Friendliness          |
| Value for others        | Result/output      | Bespoke        | Inspection by customer | Handling complaints   |
| Difficulty in sourcing  | Affordable         | Split parts    | Demonstration          | Restitution           |
| Prestige                | Distance/ location |                |                        |                       |

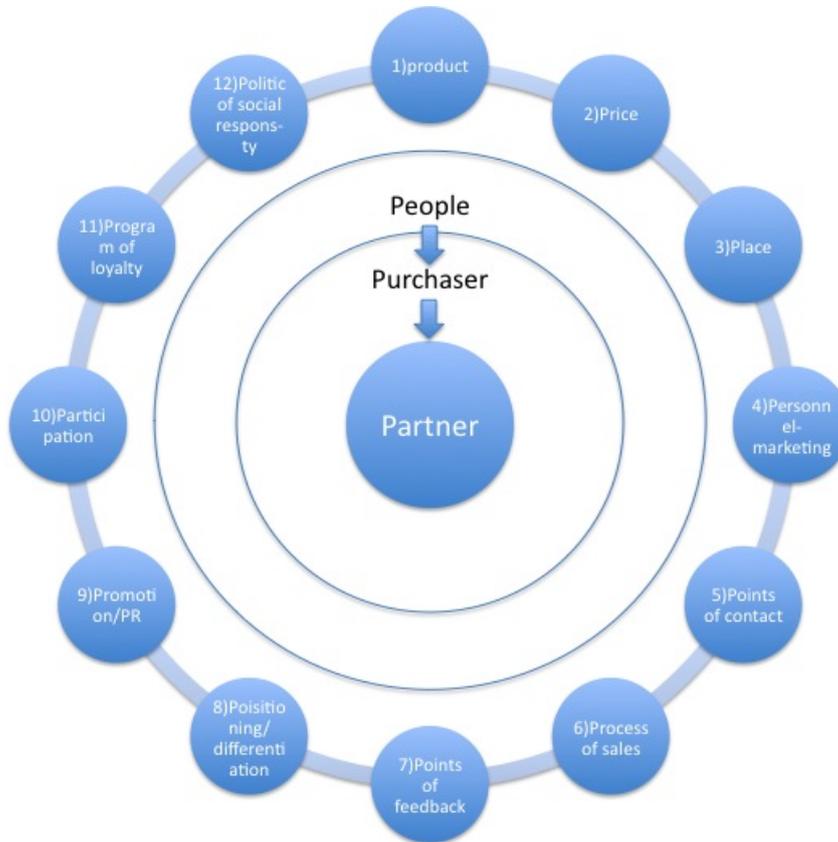
Note. Bennett, A.R. (1997). The five Vs - a buyer's perspective of the marketing mix. *Marketing Intelligence & Planning* 15 (3), 151 – 156.

According to 5Vs model branding is treated as “viability” value for the customer. It means that from that point of view brand is a legitimate factor.

A Russian marketer Golubcov offers the 12Ps approach that extends the classical model. It presents the instruments that are applicable for creating not only a client-oriented business, but also a strong brand. In other words, instruments that are presented on Picture 2 are universal – in the center of the model can be a client or a brand.

Picture 2.

Client-oriented 12Ps model



Note. Golubcov, D. (2009, September 19). Marketing – new sight on the system. Retrieved November 20, 2010 (Russian)

Actually there are many more marketing mix models. The found ones are presented in table 3. Some of them pay more attention to branding, others – less, but the marketer should always remember about it, no matter what variable covers it.

Table 3

*Marketing Mix Models*

|           |  |   |
|-----------|--|---|
| 4P        | Product, Price, Place, Promotion   | E. Jerome McCarthy:<br>Basic Marketing  |
| 4P        | Purpose (normally profit), Purchaser, Push/Pull (research), Personal Relationships   | <b>PAUL SIMISTER:<br/>MARKETING MIX: HOW<br/>MANY PS IN MARKETING -<br/>4PS, 7PS, 11PS OR MORE?</b>       |
| 5P        | Positioning, Packaging, Promotion, Persuasion, Performance   | Fraser Hay: 5<br>fundamental principles of<br>marketing   |
| 4P<br>+1S | Product, Price, Place, Promotion, Service  |   |
| 5P        | Product, Price, Place, Promotion, Personnel  |   |
|           | Product, Price, Place, Promotion, Package  |   |
|           | Product, Price, Place, Promotion, Publicity  |   |
| 5P<br>+1S | Product, Price, Place, Promotion, Personnel, Service   |   |
| 6P        | Product, Price, Place, Promotion, Personnel, Publicity   |   |
| 10P       | Product, Price, Place, Promotion, People, Personnel, Package, Purchase, Probe, Public Relations  |   |
| 12P       | Product, Price, Place, Promotion, PR, People, Personnel, Process, Package, Purchase, Physical Premises, Profit   |   |
| 12P       | Product, Price, Place, Personnel-marketing, Points of contacts, Process of sales, Points of feedback, Positioning / Differentiation, Promotion & PR, Participation, Program of loyalty, Politic of social responsibility | Golubcov, D. :<br>Marketing – new sight on the<br>system.   |
| 7P        | Product, Price, Place, Promotion, People, Process, Physical Evidence   | Booms, B.H., &<br>Bitner, M.J.: Marketing<br>Strategies and Organization<br>Structures for Service Firms. |
| 7P        | Product, Price, Place, Promotion, People, Positioning, Packaging   | Tracy B.: The 7 Ps of<br>Marketing  |
| 4C        | Consumer wants and needs, Cost to satisfy, Convenience to buy, Communication   | Bob Lauterborn: New<br>marketing litany; Four P's<br>passe; C-words take over                             |
| 4C        | Commodity, Cost, Channel, Communication  | Koichi Shimizu: 7Cs<br>Compass Model  |
| 4A        | Acceptability, Affordability, Availability, Awareness  | <b>VIKRAM, R.: 4A'S OF<br/>RURAL MARKETING</b>  |

|   |              |  |   |
|---|--------------|--|---|
| N<br>ote.<br>Adap<br>ted<br>from<br>the<br>resor<br>ces listed in the references. | 4E           | Ethics, Esthetics, Emotions, Eternities  | Humanistic model of marketing   |
|   | SI<br>VA     | Solution, Information, Value, Access   | Chekitan S.Dev, & Don E. Schultz: Simply SIVA   |
|   | 2P<br>+2C+3S | Personalisation, Privacy, Customer Service, Community, Site, Security, Sales Promotion | <b>OTILIA OTLACAN: E-MARKETING STRATEGY: 7 DIMENSIONS TO CONSIDER (THE E-MARKETING MIX)</b> |

The presented approaches have the same base – classical model of 4P. The others variants are like "individual customizing" made by marketers to achieve better results. The reason for this is the different targets and politics of different companies. Anyway, no matter what model is used, marketing mix should be consistent – all variables should fit together and intensify the other elements.

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